

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

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NEWS RELEASE

FASAB PUBLISHES INTERPRETATION OF FEDERAL FINANCIAL ACCOUNTING STANDARDS— ACCOUNTING FOR IMPUTED INTRA-DEPARTMENTAL COSTS: AN INTERPRETATION OF SFFAS NO. 4

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, announced today that the FASAB has issued Interpretation Number 6 of Federal Financial Accounting Standards, *Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS No. 4*.

Interpretation No. 6 clarifies that paragraph 110 of SFFAS No. 4 does not limit the recognition of imputed intra-departmental costs. The interpretation further explains that intra-departmental costs should be accounted for in accordance with the full cost provisions of SFFAS No.4, which includes the recognition of imputed intra-departmental costs. Mr. Mosso stated, "By clarifying the intent of SFFAS No. 4, the Interpretation will enhance performance measurement by assuring that agency segments and programs are fully costed." Interpretation No. 6 is effective for periods beginning after September 30, 2004, with earlier implementation encouraged.

An electronic version of Interpretation No. 6 is available on the World Wide Web at www.fasab.gov. Printed copies have been mailed to those on the FASAB mailing list and can be obtained from FASAB by calling 202-512-7350.

ABOUT FASAB

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the

government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

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